

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

REMOVING INTERNATIONAL RESTRICTED
DELIVERY FROM THE COMPETITIVE PRODUCT
LIST

DOCKET No. MC2013-3

**UNITED STATES POSTAL SERVICE NOTICE OF FILING
LIBRARY REFERENCE USPS-LR-MC2013-3/NP1 AND
APPLICATION FOR NON-PUBLIC TREATMENT**

The Postal Service files the material indicated below in this proceeding as a
Category 2 Library Reference:

USPS-LR-MC2013-3/NP1 Competitive International Restricted Delivery
Revenue and Volume Data [Non-Public]

This library reference shows the revenue and volume data for competitive
International Restricted Delivery. The Postal Service regards the data contained in the
library reference to be commercially-sensitive and proprietary information that should
not be released into the public domain. Accordingly, the Postal Service is providing
USPS Library Reference MC2013-3/NP1 as a non-public library reference. An
application for non-public treatment of USPS Library Reference MC2013-3/NP1 is
attached to this Notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**APPLICATION OF THE UNITED STATES POSTAL SERVICE
FOR NON-PUBLIC TREATMENT OF MATERIALS**

(October 11, 2012)

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) applies for non-public treatment of certain materials filed under seal with the Commission. Library Reference USPS-LR-MC2013-3/NP1 includes sensitive commercial information, consisting of revenue and volume data.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

The materials designated as non-public consist of information of a commercial nature that under good business practice would not be publicly disclosed. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3). Because the materials that the Postal Service applies to file under seal fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials qualify as exempt from public disclosure and grant its application for their non-public treatment.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

None.

¹ PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, PRC Docket No. RM2008-1 (June 19, 2009).

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

The non-public materials contain revenue and volume data that is commercially-sensitive information and should not be publicly disclosed. The Postal Service maintains that these materials should remain confidential.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the information that the Postal Service seeks to protect from disclosure due to its confidential nature were disclosed publicly, the Postal Service considers it quite likely that it would suffer harm. This information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices. In this regard, the Postal Service is not aware of any business with which it competes (or in any other commercial enterprise), either within industries engaged in the carriage and delivery of materials and hard copy messages, or those engaged in communications generally, that would disclose publicly information and data of comparable nature and detail.

Competitors could use the product-specific revenue and volume information to analyze the Postal Service's decision-making when determining whether to terminate a product or service. The ability of competitors to gain insight into such cost-benefit analysis undertaken by the Postal Service would be a competitive detriment to the Postal Service.

The Postal Service considers it highly probable that, if this information were made public, the Postal Service's competitors and customers would take immediate

advantage of it. Such information is information of a commercial nature, which under good business practice would not be publicly disclosed. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. §§ 552(b)(2,-3).²

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Harm: Competitors could use the product-specific revenue and volume information to analyze the Postal Service's decision-making when determining whether to suspend a product or service.

Hypothetical: The product-specific revenue and volume information is disclosed to the public. Another delivery service's employee monitors the filing of this information and passes it along to the firm's sales and marketing functions. The competitor assesses the Postal Service's determination to stop offering International Restricted Delivery on a per-piece basis. The competitor then uses this analysis to gain insight into the Postal Service's cost-benefit analysis when determining whether to continue offering a product or service. The competitor also monitors other Postal Service products and services to predict competitive activity by the Postal Service in other market segments. The competitor targets its advertising and sales efforts at actual or potential customers in these market segments, taking advantage of information it would not otherwise have.

² In certain circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the volume and revenue data should be withheld from any person who has not agreed to the Commission's standard confidentiality requirements, including any person involved in competitive decision-making for any entity that might gain competitive advantage from use of this information, including competitors and Foreign Postal Operators. The Postal Service further maintains that actual or potential customers of the Postal Service for these or similar products should not be provided access to the nonpublic materials.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

The Postal Service considers this Application sufficient to fulfill the Postal Service's obligations to justify its determination that volume and revenue data should be treated as non-public.

Conclusion

For the reasons discussed, the Postal Service requests that the Commission grant this application for non-public treatment of the identified material.